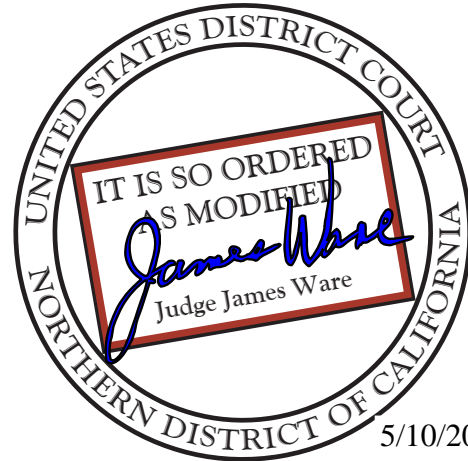


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5/10/2010

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SANTA CLARA VALLEY HOUSING)
GROUP, INC. and KRISTEN M.)
BOWES,)
Plaintiffs,)
v.)
UNITED STATES OF AMERICA,)
Defendant.)

Case No. 08-cv-05097-JW

SECOND STIPULATION AND
[PROPOSED] ORDER TO EXTEND
THE DISCOVERY PERIOD AND
OTHER PRETRIAL DATES

Plaintiffs Santa Clara Valley Housing Group, Inc. ("SCVHG") and Kristen M. Bowes (collectively, "Plaintiffs"), and Defendant the United States of America ("United States"), by and through their counsel, pursuant to Civil Local Rule 6-2, jointly stipulate that the discovery period and other pretrial dates established by the Court in its Order to Extend the Discovery Period and Other Pretrial Dates (docket entry # 27) should be extended for an additional two month period

2d Stip. & Proposed Order
to Extend Discovery Period

1 in order to provide the parties with sufficient time to complete fact and expert discovery.

2 This income tax refund suit is the first SC2 tax transaction to be litigated in the Federal
3 District Court. As a significant case of first impression, this action requires substantial additional
4 fact discovery to prepare the matter for trial. In addition, both parties believe it is advisable to
5 conduct further fact discovery before the designation of expert witnesses.

6 During the discovery period to date, the parties have exchanged (or received from third
7 parties) thousands of pages of documents. Since January 14, as described in more detail in the
8 accompanying declaration of Henry C. Darmstadter, the United States has taken numerous oral
9 depositions throughout the State of California as well as in Arizona, Illinois and Washington,
10 D.C. The United States has taken the depositions of four former employees of KPMG. The
11 United States has also taken the depositions of shareholders of SCVHG and several current and
12 former officers of SCS Development Corp, an entity related to SCVHG. The United States has
13 also recently completed the deposition of an appraiser who valued SCVHG's non-voting stock in
14 connection with the subject transaction.

15 In the next several months, the United States anticipates taking numerous additional oral
16 depositions of other officers, agents and shareholders of SCVHG. The government also intends
17 to depose other current or former KPMG employees and other individuals and entities involved
18 in the subject transaction. The Plaintiffs have propounded extensive written discovery on the
19 government and have noticed a Rule 30(b)(6) deposition of the Internal Revenue Service. Both
20 parties intend to designate experts in this action and anticipate filing dispositive motions at the
21 close of discovery.

22 Therefore, the parties jointly stipulate and request that the Case Schedule should be
23 modified as follows:

24	Deadline to Designate Expert Witnesses:	July 9, 2010
25	Preliminary Pretrial and Trial Conference	
26	Statement and Proposed Pretrial Order due:	July 23, 2010
27	Preliminary Pretrial Conference:	August 2, 2010, 11:00 a.m.

28 **2d Stip. & Proposed Order
to Extend Discovery Period**

(Suggested date)

Close of Fact Discovery: September 3, 2010

Disclosure of Rebuttal Experts: September 9, 2010

Close of Expert Discovery: November 1, 2010

Deadline to file and serve Notice of Motion
to Exclude expert testimony or portion
thereof: November 10, 2010

Deadline to file dispositive motions: November 10, 2010

Deadline to file responses to dispositive motions: December 10, 2010

Deadline to file replies to responses to
dispositive motions: January 7, 2011

Last date for hearing dispositive motions: **January 31, 2011 at 9:00 AM**

Respectfully submitted this 4th day of May, 2010.

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Attorneys for Defendant United States

PURSUANT TO THE ABOVE STIPULATION, IT IS SO ORDERED.

Dated this 10th day of May, 2010.


HON. JAMES WARE
UNITED STATES DISTRICT JUDGE

**2d Stip. & Proposed Order
to Extend Discovery Period**